



Developing workforce housing

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The case for workforce housing development



- > Mismatch between local wages and housing costs ("the Gap")
- > Changing demographics and housing choices
- > Rent burdened residents paying over 50% of their income on housing

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The housing gap



- > Workforce housing is housing that is affordable to the workforce in an area
- > What are actual wages in the local labor market – what can families afford to pay?
- > The housing gap is the difference between a family's housing budget and the actual cost of housing in an area

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Workforce housing gap



Table 4: Extremely Cost-Burdened Households (Owners and Renters), by income category, Brown County

Income category	Extremely cost-burdened	
	Owners	Renters
Less than 30-percent of AMI	1,925	5,340
Between 30- and 50-percent of AMI	1,335	1,095
Between 50- and 80-percent of AMI	1,015	80
Between 80- and 100-percent of AMI	85	0
More than 100-percent of AMI	185	0

Negative impacts of high rent burdens



- > Housing instability
 - Evictions – forced or voluntary
 - Doubling up
 - Couching surfing
- > Less disposable income for goods and services
- > Proximity mismatch of labor and jobs
- > Hard to recruit and retain workers if there is no where to live
- > Long commutes to work/services
- > Increased absenteeism



Changing demographics and housing choice



- > What is attractive and affordable for young workers in their early career years?
- > A surplus of older housing stock will be available, but who wants it?
- > Challenge to retain young workers if few attractive/affordable housing options

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Changing demographics and housing choice



- > What is available for retirees and empty nesters?
- > Older housing stock – *could* be made available for next generation, but need other housing options
- > How do communities keep baby boomers in the communities to keep their retirement dollars circulating and create jobs?

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Housing choices – these?



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Housing choices – these?



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Housing choices – these?



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Or these...?



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Or these...?



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Or these...?



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Or these...?



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Or these...?



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Or these...?



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How can you create \$7 million of additional economic activity and purchasing power?

- > Build 80 new affordable units
- > 80 households formerly paying 55% of their income on housing, now paying 30%
- > Wages \$35,000 x 55% = \$19,250/year
- > Wages \$35,000 x 30% = 10,500/year
- > \$8750 x 80 households = \$700,000/year

10 years = **\$7.0 million...of additional purchasing power** ...just by building appropriate housing

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